

VALLEY COPPER MINES LIMITED
(NON-PERSONAL LIABILITY)

Annual Report, 1973

Valley Copper Mines Limited

(Non-Personal Liability)

HEAD OFFICE: TRAIL, B.C.

ANNUAL REPORT 1973

DIRECTORS

R. J. Armstrong

J. H. Salter

A. J. Chilcott

M. H. Mason

P. A. Cramond

M. A. Madley

C. W. Dansey

OFFICERS

R. J. Armstrong - - - - - President

J. H. Salter - - - - - Vice-President

F. H. P. Dewdney - - - - - Secretary

L. M. McBride - - - - - Assistant Secretary

Transfer Agent and Registrar

THE ROYAL TRUST COMPANY

BENTALL CENTRE

555 BURRARD STREET

VANCOUVER, B.C.

(Mailing Address: Box 2031, Vancouver, B.C., V6B 3R7)

AUDITORS

Thorne Gunn & Co.

Chartered Accountants

VANCOUVER, B.C.

VALLEY COPPER MINES LIMITED
(Non-Personal Liability)

Tenth Annual Report of the Directors

To The Members:

The financial statements for the year ended December 31, 1973 follow this report.

A minor amount of exploration work was done on several claims to maintain them in good standing. In addition, laboratory tests were carried out to develop a leaching process for the low-grade cap rock. A certain amount of up-dating was carried out on the economic studies in the light of escalation and changed metal prices.

In my report to the shareholders at the Annual Meeting last year I stated "Your directors are hopeful that satisfactory government policies will be formulated to permit the economic development of large industrial projects such as Valley Copper without undue delay." Unfortunately to date such policies have not been forthcoming. At the time of writing the provincial government legislation on taxation and royalties is still unclear. It is with regret that I cannot give you any firm indication as to when a decision may be made to bring our extensive ore body into production.

Cominco Ltd. has continued to advance funds under the interim financing arrangement with that company. At the end of 1973, the amount of this advance, including accrued interest, was \$8,306,218.

Total capital expenditures for the year, including interest on the advance from Cominco Ltd., exploration expenses, land tenure expenses, feasibility study, administration and corporate expenses, was \$732,604.

Your Company has no employees at present.

ON BEHALF OF THE BOARD OF DIRECTORS
R. J. Armstrong
President

March 21, 1974

VALLEY COPPER

(Non-Personal)

(Incorporated under the laws of the State of Nevada)

BALANCE SHEET AS OF

(with comparative figures for 1972)

ASSETS

	<u>1973</u>	<u>1972</u>
CASH	\$ 4	\$ 4
ACCOUNTS RECEIVABLE	10,321	-
MINING PROPERTIES, at cost represented by 3,030,000 shares issued at fifty cents each	1,515,000	1,515,000
DEFERRED CHARGES	11,792,393	11,059,789
	<u>\$13,317,718</u>	<u>\$12,574,793</u>

Approved by the Board:

R. J. ARMSTRONG }
M. A. MADLEY } Directors

MINES LIMITED

Liability)

Province of British Columbia)

DECEMBER 31, 1973

ures for 1972)

LIABILITIES AND SHAREHOLDERS' EQUITY

	<u>1973</u>	<u>1972</u>
ACCOUNTS PAYABLE	\$ 11,500	\$ 25,000
AMOUNT OWING TO COMINCO LTD. (Shareholder)		
Unsecured loan, bearing interest at prime bank rate plus one per cent	6,497,831	6,286,536
Accrued interest	1,808,387	1,263,257
	<u>8,317,718</u>	<u>7,574,793</u>
 SHAREHOLDERS' EQUITY		
Share capital		
Authorized		
10,000,000 shares of no par value		
Issued		
For mining properties: 3,030,000 shares	1,515,000	1,515,000
For exploration and development expenditures by Cominco Ltd. - 6,970,000 shares	3,485,000	3,485,000
	<u>5,000,000</u>	<u>5,000,000</u>
	 <u><u>\$13,317,718</u></u>	 <u><u>\$12,574,793</u></u>

VALLEY COPPER MINES LIMITED
(Non-Personal Liability)

STATEMENT OF DEFERRED CHARGES
AT DECEMBER 31, 1973

	December 31, 1972	1973 Net expenditures	December 31, 1973
Exploration and development			
Surface exploration	\$ 2,053,297	\$ 17,181	\$ 2,070,478
Underground exploration and sampling	2,736,026	959	2,736,985
Engineering studies, including metallurgical testing	744,606	369	744,975
Design engineering for feasibility study	2,058,231	37,230	2,095,461
Land purchases	1,464,774	108,561	1,573,335
Reclamation deposit with Province of British Columbia	55,000	-	55,000
	<u>9,111,934</u>	<u>164,300</u>	<u>9,276,234</u>
Other			
Interest on loan from Cominco Ltd.	1,263,256	545,131	1,808,387
B.C. Capital tax	-	11,500	11,500
General and administrative expense	684,599	11,673	696,272
	<u>1,947,855</u>	<u>568,304</u>	<u>2,516,159</u>
	<u>\$11,059,789</u>	<u>\$732,604</u>	<u>\$11,792,393</u>

Note

Under the terms of agreements for exploring and developing the company's property, expenditures are made by Cominco Ltd. on behalf of the company. For expenditures on exploration and development of \$3,485,000 Cominco Ltd. has received 6,970,000 shares issued at fifty cents each.

AUDITORS' REPORT

To the Shareholders of
Valley Copper Mines Limited (Non-Personal Liability)

We have examined the balance sheet of Valley Copper Mines Limited (Non-Personal Liability) as at December 31, 1973 and the related statement of deferred charges. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion this balance sheet and the related statement of exploration and development expenditures present fairly the financial position of the company as at December 31, 1973 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE GUNN & CO.
Chartered Accountants.

Vancouver, B.C.
February 14, 1974

